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RUEHLP/AMEMBASSY LA PAZ AUG LIMA 4154
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STATE PASS TO USTR, USDA

E.O. 12958: DECL: 08/21/2016
TAGS: ETRD PGOV CO XR CU

SUBJECT: SECRETARIES PAULSON, GUTIERREZ MEET WITH PRESIDENT

URIBE

REF: LIMA 03103

Classified By: Ambassador William B. Wood for reasons 1.4 (b) and (d).

- 11. (C) SUMMARY. President Uribe proposed that U.S. and Colombian trade associations meet as soon as possible to resolve a Colombian limit on imports of U.S. beef due to concerns about Mad Cow Disease. The Colombians urged the U.S. to seek approval of the FTA by Congress before ATPDEA provisions expire in December. Uribe supported cautious, constructive change in Cuba, and said Colombia wanted to work with the U.S. on a transition. The Colombians encouraged engagement by the U.S. in Nicaragua, Ecuador and Bolivia to further common policy objectives in the region. They also requested U.S. support to achieve an investment grade credit rating for Colombia and for additional help on counter narcotics efforts. END SUMMARY.
- ¶2. (C) Secretary of the Treasury Henry Paulson, Secretary of Commerce Carlos Gutierrez, Ambassador William Wood, Assistant Secretary of State for Latin America Thomas Shannon, and DOC

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DAS Walter Bastian met with President Alvaro Uribe on August 7, immediately following his inauguration ceremony. President Uribe was joined in the meeting by Min. of Agriculture and Rural Development Andres Arias; Min. of Commerce, Industry and Tourism Jorge Botero; Min. of Finance Alberto Carrasquilla; Foreign Minister Maria Araujo; and Ambassador-designate to the U.S. Carolina Barco. Uribe opened the meeting thanking President Bush and the U.S. delegation, stating &the long term support of the U.S. Government to Colombia has helped us convert our hopes into reality.8

A BEEF OVER IMPORTS OF U.S. BEEF

13. (C) Secretary Gutierrez expressed the U.S. desire to move forward with the FTA notification to Congress. He noted, however, that he would not be able to recommend the agreement until there was a resolution to a Colombian ban on imports of U.S. beef from animals older than 30 months, imposed due to Colombian concerns over BSE, or Mad Cow Disease. Min. of Agriculture Arias stated Colombia,s ban on imports was due to scientific concerns over the risk to human health, and the threat to Colombia,s status as a BSE-free country. He emphasized the GOC,s responsibility to protect the health of its citizens and the health of its domestic industry. He

said the U.S. imposed a similar limit on Canadian beef of more than 30 months following an incident of BSE in Canada, stating &it is politically unfeasible for us to back down from a trade policy which the U.S. applies to its own trade partners.8 Arias justified the GOC ban stating that the side letter signed on February 6 on beef imports allowed special consideration where human health was concerned.

14. (C) Secretary Gutierrez responded that the issue with Canada was separate. He emphasized that the U.S. had found no scientific basis to limit domestic consumption of beef from animals older than 30 months for its own citizens, and that the U.S. was not holding Colombia to a standard that we did not accept in our own country. He noted, &We eat beef from animals over 30 months.8 Uribe explained, &We cannot contradict a scientific assessment,8 but he emphasized his willingness to solve the issue. He proposed that the two countries, industry associations meet immediately, and submit the question of potential health risk in beef from animals older than 30 months to a neutral, third party for an independent scientific assessment.

COMMITMENT TO FTA APPROVAL

15. (C) Uribe expressed the GOC,s desire to move ahead with notification of the FTA to Congress, while the two countries worked to resolve the stalemate over beef. With ATPDEA trade preferences set to expire in December, he explained, Colombia was eager to see notification take place as soon as possible to enable a vote for approval during a lame duck session of Congress. If Congress were not notified until they returned from recess in September, the Colombians feared ATPDEA might expire before approval. Gutierrez and Paulson reminded the Colombians of the general opposition to trade agreements in Congress, citing CAFTA,s passage by only two votes.

Secretary Gutierrez stated his responsibility was to see the

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FTA presented to Congress in the best possible environment for approval, but if he notified Congress without industry agreement on the beef issue, opposition members could make the FTA a political issue in the fall election, risking its defeat.

16. (C) Secretary Paulson assured the Colombians that the FTA was an important agreement for both countries, and that regardless of the timing of approval, &we will get it done.8 He affirmed that each side had political risks, and would need to manage its own political process. Uribe reiterated his proposal to have the industry associations meet as soon as possible, committing Ministers Arias and Botero to the negotiations if need be. The U.S. delegation accepted this proposal.

COLOMBIANS URGE CAUTIOUS, CONSTRUCTIVE TRANSITION IN CUBA

17. (C) Secretary Paulson noted that with Fidel Castro,s health problem, Colombian support for constructive change could be very useful at this time. President Uribe reiterated his position from the July 27 meeting with Secretary Gutierrez in Lima (See Reftel). &I should be the

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worst enemy of the Cuban regime, due to our fight against terrorism here in Colombia. But I have built a constructive relationship with Cuba.8 He noted Castro,s withdrawal of support for guerilla groups operating in Colombia, and his role in facilitating the peace talks with the ELN. Furthermore, he stated the only way to have a constructive relationship with Venezuela was through Cuba, noting that President Chavez only listens to Castro. He reiterated that although Colombia had a long history of involvement in the Non-Aligned Movement, they would not attend the next NAM meeting in Havana. He cautioned &In the case of Cuba we must be careful. We cannot push the society in a destructive manner.8 He asked the U.S. to consider how the Colombians might support positive transition in Cuba.

- 18. (C) President Uribe expressed concern over regional elections in Nicaraqua and Ecuador. He noted that Chavez was sending money to the Sandanistas, and that the margin between Montealegre and Ortega was very slim. He encouraged the U.S. to counter the Chavez effort by encouraging greater support from the private sector. He said the U.S. appeared to have burned some bridges in its relationship with Ecuador, but that they could be rebuilt. He defended Ecuadorian President Palacios who he described as &a supporter of democracy and stability in his country who has maintained an anti-Chavez stance.8 He encouraged the U.S. to engage the Ecuadorians to positively impact the upcoming elections there. The Colombians expressed concern about the impact of the expiration of ATPDEA trade preferences on Bolivia. Ambassador-designate Barco noted that social turmoil in Bolivia could cascade to Peru and Ecuador, where links among the indigenous communities are strong. President Uribe stated, &I have told President Morales that he cannot insult the $\ensuremath{\text{U.S.}}$ Government and expect an extension of trade preferences, and that he will not lose his credentials as a Bolivarian Revolutionary by being a friend of the U.S.8
- 19. (C) President Uribe noted his administration,s efforts to reform the financial sector, promote tax reform, and revise regional revenue transfers, but requested the support of Secretary Paulson to achieve an investment grade credit

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rating for Colombia. Secretary Paulson affirmed his full support for this. Uribe also emphasized his credentials in the fight on drugs, noting his decision to extend spraying to La Macarena National Park following the killing of manual eradication workers there, and his record of support for extradition. He expressed concern that in spite of his efforts, recent reports showed drug production in Colombia may actually have increased. He reiterated a Colombian request to President Bush for 24 more helicopters, not only to support the eradication effort, but to go after the ringleaders of narco-trafficking. He noted, &the U.S. has spent many resources in Iraq and Afghanistan. Here in Colombia we have demonstrated the political will to address our common issues. Can you bring resources from Iraq to help

us find the ringleaders here in Colombia?8 The U.S. delegation affirmed that the request for additional helicopters was heard.

 $\P 10$. (C) Note, Treasury Secretary Paulson was unable to clear this cable before leaving country. WOOD